

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 NEA-11 IO-13 ISO-00 CIAE-00 DODE-00
NSAE-00 NSCE-00 SSO-00 INRE-00 AID-05 COME-00
EB-08 FRB-03 INR-10 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 SS-15 STR-07 CEA-01 /109 W
-----127418 171123Z /13

O 171000Z MAY 78
FM AMCONSUL LUBUMBASHI
TO SECSTATE WASHDC IMMEDIATE 2390
INFO AMEMBASSY PARIS PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY RABAT
AMEMBASSY LUSAKA
AMEMBASSY MOSCOW
AMEMBASSY ROME
AMEMBASSY KINSHASA IMMEDIATE
USMISSION USUN NEW YORK
ICA WASHDC

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E.O. 11652: N/A
TAGS: MOPS PINS CG
SUBJ: SHABA ATTACK: WHY KOLWEZI?

1. SUMMARY:
BY STRIKING AT KOLWEZI, THE MOST RECENT INVADERS OF SHABA HAVE
HIT THE HEART OF ZAIRE'S ECONOMY, WHERE GECAMINES HAS ITS
LARGEST AND MOST MODERN OPERATIONS. APPROX 75 PCT OF THE COMPANY'S
COPPER AND 90 PCT OF ITS COBALT EITHER ORIGINATE IN MINES NEAR
KOLWEZI OR PASS THROUGH KOLWEZI'S REFINING FACILITIES. THESE
OPERATIONS REQUIRE HIGHLY TECHNICAL EXPATRIATE TALENT. WHATEVER
THE OUTCOME OF THE PRESENT STRUGGLE, IT WILL BE MORE DIFFICULT IN
THE FUTURE TO RETAIN AND RECRUIT FOREIGN PERSONNEL TO WORK WITH
GECAMINES. IF THE INVADERS DO NOT ACCOMPLISH THEIR GOAL THIS
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YEAR, THEY CAN EXPECT A DETERIORATION I THE EFFICIENCY OF GE-
CAMINES OPERATIONS IN THE FUTURE WHICH WILL RIPEN THEIR
OPPORTUNITIES FOR A FUTURE ATTEMPT TO SEIZE POWER. END SUMMARY.

2. WHEN REBEL FORCES ATTACKED AND OCCUPIED KOLWEZI ON MAY 13,
1978, THEY STRUCK AT THE HEART OF ZAIRE'S ECONOMY. EXPORTS OF COPPER
AND COBALT FROM THE STATE-OWNED MINING GIANT

GECAMINES (GCM) PRODUCED ABOUT 60 PCT OF ZAIRE'S FOREIGN EXCHANGE REVENUE IN RECENT YEARS. WHILE LUBUMBAHI IS THE HEADQUARTERS OF GECAMINES OPERATIONS IT IS KOLWEZI WHICH POSSESSES THE MOST MODERN MINING FACILITIES AND PRODUCES THE GREATEST PORTION OF THE COMPANY'S OUTPUT.

3. AT ALL LEVELS OF THE PRODUCTION PROCESS, GECAMINES FACILITIES AT KOLWEZI ARE MORE IMPORTANT THAN ANY OTHERS. FIVE OF SIX OPERATING OPEN PIT MINES ARE IN THE KOLWEZI AREA. IN 1976 THESE FIVE PITS PRODUCED 92 PCT OF THE OPEN PIT COPPER ORE. THE KAMOTO UNDERGROUND MINE IN KOLWEZI, THE MOST MODERN OF GCM'S THREE UNDERGROUND MINES, PRODUCED 51 PCT OF THE COPPER ORES FROM SUBTERRANEAN SOURCES. COBALT ORES ARE MIXED WITH THE COPPER ORES IN ROUGHLY SIMILAR PROPORTIONS. OF GCM'S FIVE CONCENTRATORS, TWO ARE IN KOLWEZI, PRODUCING 77 PCT OF THE COMPANY'S CONCENTRATES. THE LUILU FACTORY, THE MOST ADVANCED OF GCM'S THREE METALLURGICAL PLANTS, PRODUCED 58 PCT OF THE COMPANY'S COPPER CATHODES AND 55 PCT OF ITS COBALT CATHODES IN 1976. VISITORS, FAMILIAR WITH COPPER MINING TECHNIQUES IN THE US, HAVE FREQUENTLY REMARKED KOLWEZI'S OPERATIONS COMPARE VERY FAVORABLY WITH THE MOST ADVANCED COPPER MINING OPERATIONS ANYWHERE IN THE WORLD. GECAMINES P-2 EXPANSION PROGRAM WHICH IS DESIGNED TO INCREASE ZAIRE'S COPPER PRODUCTION BY 1,000 MT/YEAR AND COBALT PRODUCTION BY 5,000 MT/YEAR IN MID-1979 IS LOCATED ENTIRELY IN KOLWEZI AREA. IN ADDITION, KOLWEZI IS THE SITE OF THE METALKAT FACTORY WHICH PRODUCES ALL OF ZAIRE' ZINC AND CADMIUM.

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4. GCM MINERAL PRODUCTION IS NOT A SIMPLE MATTER OF PERCENTAGES. VARYING CHEMICAL MIXTURES OF ORES FROM DIFFERENT MINES AND MINE LEVELS MEAN THAT ORES ARE TRANSPORTED BACK AND FORTH IN THE COPPER BELT TO ALL CONCENTRATORS AND FACTORIES IN ORDER TO MAXIMIZE PRODUCTIVITY. GCM OFFICIALS ESTIMATE THAT 75 PCT OF ALL COPPER AND 90 PCT OF ALL COBALT EITHER COME FROM OR ARE PROCESSED THROUGH FACILITIES AT KOLWEZI. ELIMINATING OUTPUT OF KOLWEZI FACILITIES WOULD CAUSE NOT ONLY A GREAT LOSS IN PRODUCTION OF COPPER AND COBALT, BUT ALSO A VERY DIFFICULT ADJUSTMENT AT ALL OTHER FACILITIES. FOR EXAMPLE, GCIPUSHI WHICH IS THE ONLY MINE NEAR LUBUMBASHI PRODUCES MOSTLY ZINC AND CADMIUM WHICH IS PROCESSED

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IN KOLWEFE. DELEGATE GENERAL UMBA SAID THJM GCM OPERATIONS
WITHOUT KOLWEZI WOULD BE FUTILE.

5. KOLWEZI ALSO HAS A VERY HIGH PERCENTAGE OF EUROPEANS AMONG
ITS POPULATION. FOR THE 1977 ELECTIONS, THE KOLWEZI AREA WAS
ESTIMATED TO HAVE 143,000 INHABITANTS, LIVING IN THE TOWN, NEARBY
CITES, AND COUJTRYSIDE WITHIN A DISTANCE OF 60 MILES. OF THESE,
APPR
P 2500 ARE THOUGHT TO BE EUROPEANS, INCLUDING ABOUT 120031300
BELGIANS, 300-400 FRENCH, 80 AMERICANS, AND A MIXTURE OF
OTHERS, MOSTLY ITALIAN AND GREEKS.

6. THE OCCUPATION OF KOLWEZI BY THE INVADER FORCE WILL NOT ONLY
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HAVE AN EFFECT ON GCM OUTPUT, BUT ON RECRUITMENT AND RETENTION
OF EXPATRIATE WORKERS WHOSE PRESENCE IS ESSENTIAL TO THE HIGHLY
SOPHISTICATED AND TECHNICAL GCM OPERATIONS. AS OF MAY 15, THERE
WERE REPORTS THAT SEVEN EXPATRIATES HAD BEEN KILLED IN KOLWEZI.
ALL OTHERS ARE NOW BEING HELD HOSTAGE, ALTHOUGH THE PURPOSE HAS
NOT YET BEEN MADE CLEAR. LOOTING OF HOUSES AND HARASSMENT
CANNOT ENDEAR LIFE IN KOLWEZI TO THE
EXPATRIATE COMMUNITY. EVEN IF THE INVADERS DEPART QUICKLY WITHOUT
CREATING FURTHER CASUALTIES, MANY EXPATRIATES WILL SEEK IMMEDIATE

VACATIONS FROM THE ZAIRIAN SCENE EITHER FOR A SHORT TIME OR PERMANENTLY. THE LONGER THE OCCUPATION CONTINUES, THE GREATER THE NUMBER OF DEFINITIVE DEPARTURES AND THE GREATER THE RECRUITMENT PROBLEMS FOR FUTURE GECAMINES OPERATIONS.

7. A STRATEGY TO HOLD ONE TOWN HOSTAGE IN AIRE COULD NOT HAVE PICKED A BETTER LOCATION THAN KOLWEZI, IF EITHER SIDE DESTROYS KOLWEZI'S MINING FACILITIES, IT DESTROY'S ZAIRE'S MOST MODERN, PRODUCTIVE INDUSTRAIAL OPERATION. NO MATTER WHAT HAPPENS, ZAIRE WILL HAVE INCREASED DIFFICULTIES IN THE FUTURE RECRUITING AND RETAINNG THE TECHNICAL AND MANAGERIAL TALENT IT NEEDS TO RUN THESE MINES. AS ONE GCM DIRECTOR NOTED, THE INVADERS LEARNED ONE IMPORTANT LESSON FROM THE 1977 WAR: FORGET THE PERIPHERAL HINTERLANDS AND GRAB AT THE JUGULAR. IF THE INVASION DOES NOT SUCCEED, ZAIRE'S FRAGILE ECONOMY WILL BE SO TORN BY THE ATTEMPT, BOTH IN TERMS OF PRODUCTION AND TECHNICAL KNOW-HOW, THAT MANY YEARS WILL BE REQUIRED TO OERCOME THE DAMAGE. DURING THESE FUTURE YEARS, WHEN GECAMINES IS HOBBLING ALONG TRYING TO RECOVER FROM THE 1978 DIFFICULTIES, THE SITUATION CAN BE EXPECTED TO MORE PROPITIOUS FOR A RENEWED GRAB FOR POWER.
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Message Attributes

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